

AMENDED IN ASSEMBLY AUGUST 4, 2014

AMENDED IN ASSEMBLY JULY 1, 2014

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN SENATE MAY 16, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE APRIL 1, 2013

SENATE BILL

No. 52

Introduced by Senators Leno and Hill
(Principal coauthors: Senators Correa and DeSaulnier)

(Principal coauthor: Assembly Member Fong)

(Coauthors: Senators Block, Hancock, and Wolk)

(Coauthors: Assembly Members Ammiano, Buchanan, and Wieckowski)

December 20, 2012

An act to amend Sections 84503, 84504, 84505, 84506, and ~~84508~~
~~84511~~ of, to add Sections 84503.1, 84503.2, 84503.3, 84503.4, and
84503.5 to, ~~to repeal~~ Sections 84502 and 84504 of, and to repeal and
add Sections 84501; ~~and~~ 84502, ~~and~~ 84503 of, the Government Code,
relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 52, as amended, Leno. Political Reform Act of 1974: campaign disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing

other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes. Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would repeal and recast several definitions. The bill would ~~repeal~~ *modify* a committee identification requirement and a disclosure statement requirement relating to advertisements for or against any ballot measure paid for by a committee. The bill would impose new disclosure statement requirements for political advertisements regarding a ballot measure that are radio advertisements, prerecorded telephonic messages, television or video advertisements, or mass mailing or print advertisements that would require the identification of identifiable contributors, ballot measures, and other funding details, as specified. By introducing new disclosure requirements, the violation of which would be a misdemeanor, the bill would create a new crime, thereby imposing a state-mandated local program.

Existing law creates the Fair Political Practices Commission, and gives it primary responsibility for the impartial, effective administration and implementation of the Political Reform Act of 1974.

The bill would require the Fair Political Practices Commission to promulgate regulations related to the reporting and tracking of funds transferred by an identifiable contributor to committees and persons by January 1, 2016. The bill would ~~authorize~~ *require* the Commission to promulgate regulations ~~to require disclosures on all forms of advertisements regarding ballot measures not covered by the act, as specified.~~ *prohibiting a recipient of funds transferred by an identifiable contributor from depositing the funds until required applicable reports have been received by the recipient.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes

upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known as the California Disclose
2 Act.

3 SEC. 2. The Legislature finds and declares all of the following:

4 (a) Ever-increasing amounts of funds are raised and spent in
5 support of and opposition to state and local ballot measures,
6 especially in the form of advertisements. The outcomes of such
7 elections are disproportionately impacted by campaign expenditures
8 in support of and opposition to those measures.

9 (b) Ever-increasing amounts of funds are spent on campaigns
10 by persons who do one or more of the following:

11 (1) Frequently use their wealth to fund local and state ballot
12 measures designed to advance their own economic interests.

13 (2) Increasingly avoid having their identities disclosed in
14 election-related advertisements by channeling funds through one
15 or more persons before those funds are received by a committee,
16 thereby undermining the purpose and intent of laws requiring
17 disclosure on such advertisements.

18 (3) Spend extraordinary amounts of money running
19 election-related advertisements while hiding behind dubious and
20 misleading names, including, but not limited to, advertisements
21 by primarily formed committees and general purpose committees.

22 (4) Increasingly evade disclosure by funding advertisements
23 designed to persuade voters without expressly advocating support
24 or opposition.

25 (c) The activities described in subdivision (b) cause the public
26 to become increasingly disaffected with the democratic process,
27 discouraging participation in elections and coloring public
28 perceptions of the legitimacy and integrity of state and local
29 government.

30 (d) The people of California and their government officials have
31 a compelling interest in knowing the true and original source of
32 committee funding and receiving clear information identifying the

1 largest original contributors responsible for political advertisements
2 funded by such committees.

3 (e) The disclosure of original contributors on advertisements
4 serves the following important governmental and societal purposes:

5 (1) Providing the people and government officials current and
6 easily accessible information regarding who is funding
7 advertisements that are intended to influence their votes on ballot
8 measures.

9 (2) Enabling the people and government officials to identify
10 potential bias in advertisements to assist them in making more
11 informed decisions and giving proper weight to different speakers
12 and messages.

13 (3) Deterring actual corruption and avoiding the appearance of
14 corruption by providing increased transparency of contributions
15 and expenditures.

16 (4) Improving the people's confidence in the democratic process
17 and increasing their motivation to actively participate in that
18 process by regular voting and other forms of civic engagement.

19 (5) Promoting compliance with and detecting violations of the
20 Political Reform Act of 1974 (Title 9 (commencing with Section
21 81000) of the Government Code), while also addressing the
22 problems and advancing the state interests described in that act.

23 SEC. 3. Section 84501 of the Government Code is repealed.

24 SEC. 4. Section 84501 is added to the Government Code, to
25 read:

26 84501. For purposes of this article, the following terms have
27 the following meanings:

28 (a) (1) "Advertisement" means any general or public
29 communication that is either of the following:

30 (A) Authorized and paid for by a committee for the purpose of
31 supporting or opposing a candidate for elective office *or one or*
32 *more ballot measures.*

33 (B) A ballot measure advocacy communication ~~supporting or~~
34 ~~opposing the qualification, passage, or defeat of a ballot measure.~~
35 *that satisfies all of the following:*

36 (i) *It is disseminated, broadcast, or otherwise communicated*
37 *within 45 days before an election.*

38 (ii) *It concerns a clearly referenced ballot measure that will*
39 *appear on the ballot at the election.*

1 (iii) *A reasonable person would interpret the overall message*
2 *of the communication as expressing support of or opposition to*
3 *the ballot measure.*

4 (2) “Advertisement” does not include any of the following:

5 (A) A communication from an organization, other than a
6 political party, to its members.

7 (B) A campaign button smaller than 10 inches in diameter; a
8 bumper sticker smaller than 60 square inches; or a small tangible
9 promotional item, including, but not limited to, a pen, pin, or key
10 chain, upon which the disclosures required by this article cannot
11 be conveniently printed or displayed.

12 (C) Clothing apparel.

13 (D) Sky writing.

14 (E) An electronic media communication, if inclusion of the
15 disclosures required by this article is impracticable or would
16 severely interfere with the committee’s ability to convey the
17 intended message because of the nature of the technology used to
18 make the communication.

19 (F) Any other communication as determined by regulations of
20 the Commission.

21 (b) “Cumulative contributions” means the cumulative amount
22 of contributions received by a committee beginning 12 months
23 prior to the date the committee made its first expenditure for the
24 purpose of supporting or opposing a candidate for elective office
25 or for the purpose of qualification, passage, or defeat of a ballot
26 measure, and ending seven days before the time the advertisement
27 is disseminated or broadcast.

28 (c) “Identifiable contributor” means a person that is the original
29 source of funds for contributions received by a committee that
30 cumulatively total fifty thousand dollars (\$50,000) or more,
31 notwithstanding the fact that the contributions were transferred,
32 in whole or in part, through one or more other committees or
33 persons.

34 SEC. 5. Section 84502 of the Government Code is repealed.

35 SEC. 6. Section 84502 is added to the Government Code, to
36 read:

37 84502. (a) On or before January 1, 2016, the Commission
38 shall promulgate regulations, in furtherance of the purposes of this
39 article, related to the reporting and tracking of funds transferred
40 by an identifiable contributor to committees and other persons.

1 (b) The Commission shall promulgate regulations prohibiting
2 a recipient of funds transferred by an identifiable contributor from
3 depositing the funds until any applicable reports required by the
4 regulations promulgated pursuant to subdivision (a) have been
5 received by the recipient.

6 (c) In any action for a violation of this article brought by the
7 Commission against a recipient of funds transferred by an
8 identifiable contributor, it is a complete defense that information
9 provided by the identifiable contributor was incorrect and the
10 recipient did not know or did not have reason to know it was
11 incorrect.

12 ~~SEC. 7. Section 84503 of the Government Code is repealed.~~

13 SEC. 7. Section 84503 of the Government Code is amended to
14 read:

15 84503. (a) ~~Any~~ Except for advertisements described in Sections
16 84503.1, 84503.2, and 84503.3, any advertisement for or against
17 any ballot measure shall include a disclosure statement identifying
18 any person whose cumulative contributions are fifty thousand
19 dollars (\$50,000) or more.

20 (b) If there are more than two donors of fifty thousand dollars
21 (\$50,000) or more, the committee is only required to disclose the
22 highest and second highest in that order. In the event that more
23 than two donors meet this disclosure threshold at identical
24 contribution levels, the highest and second highest shall be selected
25 according to chronological sequence.

26 SEC. 8. Section 84503.1 is added to the Government Code, to
27 read:

28 84503.1. (a) An advertisement regarding a ballot measure,
29 disseminated by a political party or candidate-controlled
30 committee, that is a radio advertisement or prerecorded telephonic
31 message shall include a disclosure statement at the beginning or
32 end of the advertisement read in a clearly spoken manner and in
33 a pitch and tone substantially similar to the rest of the
34 advertisement that reads as follows: "Paid for by [name of the
35 committee that paid for the advertisement]."

36 (b) (1) An advertisement regarding a ballot measure,
37 disseminated by a committee other than a political party or
38 candidate-controlled committee, that is a radio advertisement or
39 prerecorded telephonic message shall include a disclosure
40 statement at the beginning or end of the advertisement read in a

1 clearly spoken manner and in a pitch and tone substantially similar
2 to the rest of the advertisement that reads as follows: “This ad has
3 major funding from [state names in descending order of identifiable
4 contributors who have made the two largest cumulative
5 contributions to the committee that paid for the advertisement].
6 Paid for by [name of the committee that paid for the
7 advertisement].”

8 (2) If there is only one identifiable contributor or the
9 advertisement lasts 15 seconds or less, the disclosure statement
10 required by paragraph (1) shall be adjusted to read as follows:
11 “This ad has major funding from [state name of identifiable
12 contributor who made the largest cumulative contributions to the
13 committee that paid for the advertisement]. Paid for by [name of
14 the committee that paid for the advertisement].”

15 (3) If there are no identifiable contributors to the committee
16 that paid for the advertisement, the advertisement may replace the
17 disclosure statement required by paragraph (1) with the following:
18 “Paid for by [name of the committee that paid for the
19 advertisement].”

20 (4) If the content of the advertisement names each of the
21 identifiable contributors required to be named pursuant to
22 paragraphs (1) and (2) as top funders of the advertisement, it may
23 replace the disclosure statement required by paragraph (1) with
24 the following: “Paid for by [name of the committee that paid for
25 the advertisement].”

26 SEC. 9. Section 84503.2 is added to the Government Code, to
27 read:

28 84503.2. (a) An advertisement regarding a ballot measure,
29 disseminated by a political party or candidate-controlled
30 committee, that is a television or video advertisement shall include
31 a disclosure area with a solid black background on the entire
32 bottom one-third of the television or video display screen at the
33 beginning or end of the advertisement for a minimum of five
34 seconds in the case of an advertisement that lasts 30 seconds or
35 less or a minimum of 10 seconds in the case of an advertisement
36 that lasts longer than 30 seconds. The disclosure area shall include
37 the following text: “Paid for by [name of the committee that paid
38 for the advertisement].” The text shall be in a contrasting color
39 in Arial Narrow equivalent font, and the type size shall be at least

1 4 percent of the height of the television or video display screen
2 and shall be centered horizontally.

3 (b) An advertisement regarding a ballot measure, disseminated
4 by a committee other than a political party or candidate-controlled
5 committee, that is a television or video advertisement shall include
6 a disclosure area with a solid black background on the entire
7 bottom one-third of the television or video display screen at the
8 beginning or end of the advertisement for a minimum of five
9 seconds in the case of an advertisement that lasts 30 seconds or
10 less or a minimum of 10 seconds in the case of an advertisement
11 that lasts longer than 30 seconds. The disclosure area shall include
12 all of the following:

13 (1) The text “Ad Paid for by a Committee whose Top Funders
14 are:”. The text shall be located at the top of the disclosure area
15 and centered horizontally, shall be in a contrasting color in Arial
16 Narrow equivalent font, and the type size shall be equivalent to 3
17 percent of the height of the television or video display screen.

18 (2) Immediately below the text described in paragraph (1), the
19 names of the identifiable contributors who have made the three
20 largest cumulative contributions to the committee that paid for the
21 advertisement. The identifiable contributors shall each be disclosed
22 on a separate horizontal line, in descending order, beginning with
23 the identifiable contributor who made the largest cumulative
24 contributions on the first line. The name of each of the identifiable
25 contributors shall be centered horizontally in the disclosure area.
26 The text shall be in a contrasting color in Arial Narrow equivalent
27 font, and the type size shall be at least 4 percent of the height of
28 the television or video display screen. If using a type size of 4
29 percent of the height of the television or video display screen
30 causes the name of any of the identifiable contributors to exceed
31 the width of the screen, the type sizes of the names of all the
32 identifiable contributors shall be reduced until the names of the
33 identifiable contributors fit on the width of the screen, but in no
34 case shall the type size be smaller than 2.5 percent of the height
35 of the screen.

36 (3) The text “Paid for by [name of the committee that paid for
37 the advertisement].” The text shall be in a contrasting color in
38 Arial Narrow equivalent font, and the type size shall be equivalent
39 to 2 percent of the height of the television or video display screen.
40 The text shall be left-aligned and located in a position that is

1 vertically at least 2 percent of the height of the television or video
2 display screen away from the bottom left of the television or video
3 display screen.

4 (4) If there are fewer than three identifiable contributors to the
5 committee that paid for the advertisement, the disclosure statement
6 required by this subdivision shall be adjusted accordingly to
7 disclose only those that qualify as identifiable contributors, if any.
8 If the committee does not have any identifiable contributors, the
9 text required by paragraph (1) shall be adjusted to read “Ad Paid
10 for by” and the name of the committee shall be printed immediately
11 below it, centered horizontally. The text shall be in a contrasting
12 color in Arial Narrow equivalent font, and the type size shall be
13 at least 4 percent of the height of the television or video display
14 screen.

15 (5) In addition to the requirements specified in paragraphs (1)
16 to (4), inclusive, committees subject to Section 84223 shall include
17 the text “Funding Details At [insert Commission Internet Web site
18 address with information required to be posted pursuant to Section
19 84223].” The text shall be in a contrasting color in Arial Narrow
20 equivalent font, and the type size shall be equivalent to 2.5 percent
21 of the height of the television or video display screen. The text
22 shall be right-aligned and located in a position that is at least 2.5
23 percent of the height of the television or video display screen away
24 from the bottom right of the television or video display screen.

25 SEC. 10. Section 84503.3 is added to the Government Code,
26 to read:

27 84503.3. (a) An advertisement regarding a ballot measure,
28 disseminated by a political party or candidate-controlled
29 committee, that is a mass mailing or a print advertisement designed
30 to be distributed personally shall include a disclosure area on the
31 outside display surface of the mass mailing or print advertisement
32 that reads as follows: “Paid for by [name of the committee that
33 paid for the advertisement].” The text shall be in an Arial Narrow
34 equivalent font with a type size of at least 10-point in a color or
35 print that contrasts with the background so that it is easily read.

36 (b) An advertisement regarding a ballot measure, disseminated
37 by a committee other than a political party or candidate-controlled
38 committee, that is a mass mailing or a print advertisement designed
39 to be distributed personally shall include a disclosure area on the

1 largest page of the mass mailing or print advertisement that
2 satisfies all of the following requirements:

3 (1) The disclosure area shall have a solid white background so
4 as to be easily legible, and shall be in a printed or drawn box on
5 the bottom of the page that is set apart from any other printed
6 matter. All text in the disclosure area shall be black in color. The
7 text in the disclosure area shall be written in the same direction
8 as the text or graphics on the majority of the page that has the
9 disclosure.

10 (2) The text “Ad Paid for by a Committee whose Top Funders
11 are:” shall be located at the top of the disclosure area and centered
12 horizontally in the disclosure area. The text shall be in an Arial
13 Narrow equivalent font with a type size of at least 12-point for
14 advertisements smaller than 93 square inches and at least 14-point
15 for advertisements that are equal to, or larger than, 93 square
16 inches.

17 (3) Immediately below the text described in paragraph (2) shall
18 be the names of the identifiable contributors who have made the
19 three largest cumulative contributions to the committee that paid
20 for the advertisement. The identifiable contributors shall each be
21 disclosed on a separate horizontal line, in descending order,
22 beginning with the identifiable contributor who made the largest
23 cumulative contributions on the first line. The name of each of the
24 identifiable contributors shall be centered horizontally in the
25 disclosure area. The text shall identify each identifiable contributor
26 in an Arial Narrow equivalent font with a type size of at least
27 10-point for advertisements smaller than 93 square inches and at
28 least 12-point for advertisements that are equal to, or larger than,
29 93 square inches.

30 (A) If the advertisement is four inches tall or less, it need only
31 show the names of the identifiable contributors who have made
32 the two largest cumulative contributions.

33 (B) If the advertisement is three inches tall or less, it need only
34 show the name of the identifiable contributor who made the largest
35 cumulative contributions, and the text required by paragraph (2)
36 shall read “Ad Paid for by a Committee whose Top Funder is.”

37 (4) The text “Paid for by [name of the committee that paid for
38 the advertisement]” shall be located at the bottom of the disclosure
39 area and shall be in an Arial Narrow equivalent font with at least
40 8-point type size for pages smaller than 93 square inches and at

1 least 10-point type size for pages that are equal to, or larger than,
2 93 square inches.

3 (5) If there are fewer than three identifiable contributors to the
4 committee that paid for the advertisement, the disclosure shall be
5 adjusted accordingly to disclose the qualifying identifiable
6 contributors, if any. If the committee does not have any identifiable
7 contributors, the disclosures described in paragraphs (2) and (3)
8 are not required.

9 (6) In addition to the requirements specified in paragraphs (1)
10 to (5), inclusive, committees subject to Section 84223 shall include,
11 immediately below the text described in paragraph (3), the text
12 “Funding Details At [insert Commission Internet Web site address
13 with information required to be posted pursuant to Section
14 84223].” The text shall be in an Arial Narrow equivalent font with
15 at least 10-point type size for advertisements smaller than 93
16 square inches and at least 12-point type size for advertisements
17 that are equal to, or larger than, 93 square inches. This text shall
18 not be required if the advertisement is five inches tall or less.

19 ~~SEC. 8. Section 84503 is added to the Government Code, to~~
20 ~~read:~~

21 ~~84503. (a) An advertisement regarding a ballot measure,~~
22 ~~disseminated by a political party or candidate-controlled committee,~~
23 ~~that is a radio advertisement or prerecorded telephonic message~~
24 ~~shall include a disclosure statement at the beginning or end of the~~
25 ~~advertisement read in a clearly spoken manner and in a pitch and~~
26 ~~tone substantially similar to the rest of the advertisement that reads~~
27 ~~as follows: “Paid for by [name of the committee that paid for the~~
28 ~~advertisement].”~~

29 ~~(b) (1) An advertisement regarding a ballot measure,~~
30 ~~disseminated by a committee other than a political party or~~
31 ~~candidate-controlled committee, that is a radio advertisement or~~
32 ~~prerecorded telephonic message shall include a disclosure statement~~
33 ~~at the beginning or end of the advertisement read in a clearly~~
34 ~~spoken manner and in a pitch and tone substantially similar to the~~
35 ~~rest of the advertisement that reads as follows: “This ad has major~~
36 ~~funding from [state names in descending order of identifiable~~
37 ~~contributors who have made the two largest cumulative~~
38 ~~contributions to the committee that paid for the advertisement].~~
39 ~~Paid for by [name of the committee that paid for the~~
40 ~~advertisement].”~~

~~(2) If there is only one identifiable contributor or the advertisement lasts 15 seconds or less, the disclosure statement required by paragraph (1) shall be adjusted to read as follows:~~

~~“This ad has major funding from [state name of identifiable contributor who made the largest cumulative contributions to the committee that paid for the advertisement]. Paid for by [name of the committee that paid for the advertisement].”~~

~~(3) If there are no identifiable contributors to the committee that paid for the advertisement, the advertisement may replace the disclosure statement required by paragraph (1) with the following:~~

~~“Paid for by [name of the committee that paid for the advertisement].”~~

~~(4) If the content of the advertisement names each of the identifiable contributors required to be named pursuant to paragraphs (1) and (2) as top funders of the advertisement, it may replace the disclosure statement required by paragraph (1) with the following: “Paid for by [name of the committee that paid for the advertisement].”~~

~~SEC. 9.— Section 84503.1 is added to the Government Code, to read:~~

~~84503.1. (a) An advertisement regarding a ballot measure, disseminated by a political party or candidate-controlled committee, that is a television or video advertisement shall include a disclosure area with a solid black background on the entire bottom one-third of the television or video display screen at the beginning or end of the advertisement for a minimum of five seconds in the case of an advertisement that lasts 30 seconds or less or a minimum of 10 seconds in the case of an advertisement that lasts longer than 30 seconds. The disclosure area shall include the following text: “Paid for by [name of the committee that paid for the advertisement].” The text shall be in a contrasting color in Arial Narrow equivalent type, and the type size shall be at least 4 percent of the height of the television or video display screen and shall be centered horizontally.~~

~~(b) An advertisement regarding a ballot measure, disseminated by a committee other than a political party or candidate-controlled committee, that is a television or video advertisement shall include a disclosure area with a solid black background on the entire bottom one-third of the television or video display screen at the beginning or end of the advertisement for a minimum of five~~

1 seconds in the case of an advertisement that lasts 30 seconds or
2 less or a minimum of 10 seconds in the case of an advertisement
3 that lasts longer than 30 seconds. The disclosure area shall include
4 all of the following:

5 (1) The text “Ad Paid for by a Committee whose Top Funders
6 are:”. The text shall be located at the top of the disclosure area and
7 centered horizontally, shall be in a contrasting color in Arial
8 Narrow equivalent type, and the type size shall be at least 4 percent
9 of the height of the television or video display screen.

10 (2) Immediately below the text described in paragraph (1), the
11 names of the identifiable contributors who have made the three
12 largest cumulative contributions to the committee that paid for the
13 advertisement. The identifiable contributors shall each be disclosed
14 on a separate horizontal line, in descending order, beginning with
15 the identifiable contributor who made the largest cumulative
16 contributions on the first line. The name of each of the identifiable
17 contributors shall be centered horizontally in the disclosure area.
18 The text shall be in a contrasting color in Arial Narrow equivalent
19 type, and the type size shall be at least 4 percent of the height of
20 the television or video display screen.

21 (3) The text “Funding Details At [insert Commission Internet
22 Web site address with information required to be posted pursuant
23 to Section 84223].” The text shall be in a contrasting color in Arial
24 Narrow equivalent type, and the type size shall be at least 2.5
25 percent of the height of the television or video display screen. The
26 text shall be right-aligned and located in a position that is at least
27 2.5 percent of the height of the television or video display screen
28 away from the bottom right of the television or video display
29 screen.

30 (4) The text “Paid for by [name of the committee that paid for
31 the advertisement].” The text shall be in a contrasting color in
32 Arial Narrow equivalent type, and the type size shall be at least 4
33 percent of the height of the television or video display screen. The
34 text shall be left-aligned and located in a position that is vertically
35 at least 2 percent of the height of the television or video display
36 screen away from the bottom left of the television or video display
37 screen.

38 (5) If there are fewer than three identifiable contributors to the
39 committee that paid for the advertisement, the disclosure statement
40 required by this subdivision shall be adjusted accordingly to

1 ~~disclose only those that qualify as identifiable contributors, if any.~~
2 ~~If the committee does not have any identifiable contributors, the~~
3 ~~text required by paragraph (1) shall be adjusted to read “Ad Paid~~
4 ~~for by” and the name of the committee shall be printed immediately~~
5 ~~below it, centered horizontally. The text shall be in a contrasting~~
6 ~~color in Arial Narrow equivalent type, and the type size shall be~~
7 ~~at least 4 percent of the height of the television or video display~~
8 ~~screen.~~

9 ~~SEC. 10. Section 84503.2 is added to the Government Code,~~
10 ~~to read:~~

11 ~~84503.2. (a) An advertisement regarding a ballot measure,~~
12 ~~disseminated by a political party or candidate-controlled committee,~~
13 ~~that is a mass mailing or a print advertisement designed to be~~
14 ~~distributed personally shall include a disclosure area on the outside~~
15 ~~display surface of the mass mailing or print advertisement that~~
16 ~~reads as follows: “Paid for by [name of the committee that paid~~
17 ~~for the advertisement].” The text shall be in an Arial Narrow~~
18 ~~equivalent type with a type size of at least 10-point in a color or~~
19 ~~print that contrasts with the background so that it is easily read.~~

20 ~~(b) An advertisement regarding a ballot measure, disseminated~~
21 ~~by a committee other than a political party or candidate-controlled~~
22 ~~committee, that is a mass mailing or a print advertisement designed~~
23 ~~to be distributed personally shall include a disclosure area on the~~
24 ~~largest page of the mass mailing or print advertisement that satisfies~~
25 ~~all of the following requirements:~~

26 ~~(1) The disclosure area shall have a solid white background so~~
27 ~~as to be easily legible, and shall be in a printed or drawn box on~~
28 ~~the bottom of the page that is set apart from any other printed~~
29 ~~matter. All text in the disclosure area shall be black in color. The~~
30 ~~text in the disclosure area shall be written in the same direction as~~
31 ~~the text or graphics on the majority of the page that has the~~
32 ~~disclosure.~~

33 ~~(2) The text “Ad Paid for by a Committee whose Top Funders~~
34 ~~are” shall be located at the top of the disclosure area and centered~~
35 ~~horizontally in the disclosure area. The text shall be in an Arial~~
36 ~~Narrow equivalent type with a type size of at least 12-point for~~
37 ~~advertisements smaller than 93 square inches and at least 14-point~~
38 ~~for advertisements that are equal to, or larger than, 93 square~~
39 ~~inches.~~

~~(3) Immediately below the text described in paragraph (2) shall be the names of the identifiable contributors who have made the three largest cumulative contributions to the committee that paid for the advertisement. The identifiable contributors shall each be disclosed on a separate horizontal line, in descending order, beginning with the identifiable contributor who made the largest cumulative contributions on the first line. The name of each of the identifiable contributors shall be centered horizontally in the disclosure area. The text shall identify each identifiable contributor in an Arial Narrow equivalent type with a type size of at least 10-point for advertisements smaller than 93 square inches and at least 12-point for advertisements that are equal to, or larger than, 93 square inches.~~

~~(A) If the advertisement is four inches tall or less, it need only show the names of the identifiable contributors who have made the two largest cumulative contributions.~~

~~(B) If the advertisement is three inches tall or less, it need only show the name of the identifiable contributor who made the largest cumulative contributions, and the text required by paragraph (2) shall read "Ad Paid for by a Committee whose Top Funder is."~~

~~(4) Immediately below the text described in paragraph (3), the text "Funding Details At [insert Commission Internet Web site address with information required to be posted pursuant to Section 84223]." The text shall be in an Arial Narrow equivalent type with at least 10-point type size for advertisements smaller than 93 square inches and at least 12-point type size for advertisements that are equal to, or larger than, 93 square inches. This text shall not be required if the advertisement is five inches tall or less.~~

~~(5) The text "Paid for by [name of the committee that paid for the advertisement]" shall be located at the bottom of the disclosure area and shall be in an Arial Narrow equivalent type with at least 8-point type size for pages smaller than 93 square inches and at least 10-point type size for pages that are equal to, or larger than, 93 square inches.~~

~~(6) If there are fewer than three identifiable contributors to the committee that paid for the advertisement, the disclosure shall be adjusted accordingly to disclose the qualifying identifiable contributors, if any. If the committee does not have any identifiable contributors, the disclosures described in paragraphs (2) and (3) are not required.~~

1 ~~SEC. 11.~~ Section 84503.3 is added to the Government Code, to
2 read:

3 ~~84503.3. The Commission may promulgate regulations to~~
4 ~~require disclosures on all forms of advertisements regarding ballot~~
5 ~~measures not covered by this article, including, but not limited to,~~
6 ~~electronic media advertisements and billboards. If feasible, the~~
7 ~~regulations shall require the listing of the name of the committee~~
8 ~~and as many of the three identifiable contributors that made the~~
9 ~~largest cumulative contributions as possible in a conspicuous~~
10 ~~manner, unless the committee that paid for the advertisement is a~~
11 ~~political party or candidate-controlled committee, in which case~~
12 ~~only the name of the committee must be shown. This disclosure~~
13 ~~area shall occupy no more than 10 percent of the advertisement.~~

14 ~~SEC. 12.~~

15 *SEC. 11.* Section 84503.4 is added to the Government Code,
16 to read:

17 84503.4. (a) The disclosure of the name of an identifiable
18 contributor required by this article need not include such legal
19 terms as “incorporated,” “committee,” “political action committee,”
20 or “corporation,” or their abbreviations, unless the term is part of
21 the contributor’s name in common usage or parlance.

22 (b) If this article requires the disclosure of the name of an
23 identifiable contributor that is a sponsored committee that has a
24 single sponsor, only the name of the committee’s sponsoring
25 organization shall be disclosed.

26 (c) If the identifiable contributor is the parent of a subsidiary
27 corporation whose economic interest is more directly impacted
28 than the parent by a measure that is the subject of the
29 advertisement, then the subsidiary’s name shall be disclosed.
30 Disclosure of the parent’s name is optional, but shall not replace
31 the required disclosure of other identifiable contributors otherwise
32 required by this article.

33 (d) All disclosure text required by this article shall be displayed
34 in the capitalization shown in this article, such as “Ad Paid for by
35 a Committee whose Top Funders are:”. Names of identifiable
36 contributors and committees shall be displayed in title capitalization
37 (e.g. “John Smith”), except for names that are acronyms (e.g.
38 “ACME Hunting Supplies”).

~~SEC. 13.~~

SEC. 12. Section 84503.5 is added to the Government Code, to read:

84503.5. If the order of the identifiable contributors required to be displayed in an advertisement pursuant to this article changes, the disclosure in the advertisement shall be updated as follows:

(a) A television, radio, or other electronic media advertisement shall be updated to reflect the new ordering of identifiable contributors within seven business days, or five business days if the change in the order of identifiable contributors occurs within 30 days of an election.

(b) A print media advertisement, including nonelectronic billboards, shall be updated to reflect the new ordering of identifiable contributors prior to placing a new or modified order for additional printing of the advertisement.

~~SEC. 14.~~ Section 84504 of the Government Code is repealed.

SEC. 13. Section 84504 of the Government Code is amended to read:

~~84504. (a) Any committee that supports or opposes one or more ballot measures shall name and identify itself using a name or phrase that clearly identifies the economic or other special interest of its major donors of fifty thousand dollars (\$50,000) or more in any reference to the committee required by law, including, but not limited, to its statement of organization filed pursuant to Section 84101.~~

~~(b) If the major donors of fifty thousand dollars (\$50,000) or more share a common employer, the identity of the employer shall also be disclosed.~~

~~(c)~~

~~84504. (a) Any committee which that supports or opposes a ballot measure, shall print or broadcast its name as provided in this section article as part of any advertisement or other paid public statement.~~

~~(d)~~

~~(b) If candidates or their controlled committees, as a group or individually, meet the contribution thresholds for a person, they shall be identified by the controlling candidate's name.~~

~~SEC. 15.~~

SEC. 14. Section 84505 of the Government Code is amended to read:

1 84505. In addition to the requirements of Sections 84503,
2 84503.1, 84503.2, and 84503.3, the committee paying for an
3 advertisement or persons acting in concert with that committee
4 shall be prohibited from creating or using a noncandidate-controlled
5 committee or a nonsponsored committee to avoid, or that results
6 in the avoidance of, the disclosure of any individual, industry,
7 business entity, controlled committee, or sponsored committee as
8 a major funding source.

9 ~~SEC. 16.~~

10 ~~SEC. 15.~~ Section 84506 of the Government Code is amended
11 to read:

12 84506. (a) An advertisement supporting or opposing a
13 candidate; *or a ballot measure and* that is paid for by an
14 independent expenditure; shall include, *except as provided in*
15 *Sections 84503.1, 84503.2, and 84503.3,* a disclosure statement
16 that identifies both of the following:

17 (1) The name of the committee making the independent
18 expenditure.

19 (2) The names of the persons from whom the committee making
20 the independent expenditure has received its two highest
21 cumulative contributions of fifty thousand dollars (\$50,000) or
22 more during the 12-month period prior to the expenditure. If the
23 committee can show, on the basis that contributions are spent in
24 the order they are received, that contributions received from the
25 two highest contributors have been used for expenditures unrelated
26 to the candidate or ballot measure featured in the communication,
27 the committee shall disclose the contributors making the next
28 largest cumulative contributions of fifty thousand dollars (\$50,000)
29 or more.

30 (b) If an acronym is used to identify any committee names
31 required by this section, the names of any sponsoring organization
32 of the committee shall be printed on print advertisements or spoken
33 in broadcast advertisements.

34 ~~SEC. 17.~~ Section 84508 of the Government Code is amended
35 to read:

36 ~~84508.~~ ~~If disclosure of two major donors is required by Section~~
37 ~~84506, the committee shall be required to disclose, in addition to~~
38 ~~the committee name, only its highest major contributor in any~~
39 ~~advertisement which is:~~

40 (a) ~~An electronic broadcast of 15 seconds or less, or~~

1 ~~(b) A newspaper, magazine, or other public print media~~
2 ~~advertisement which is 20 square inches or less.~~

3 *SEC. 16. Section 84511 of the Government Code is amended*
4 *to read:*

5 84511. (a) A committee that makes an expenditure of five
6 thousand dollars (\$5,000) or more to an individual for his or her
7 appearance in an advertisement to support or oppose the
8 qualification, passage or defeat of a ballot measure shall file a
9 report within 10 days of the expenditure. The report shall identify
10 the measure, the date of the expenditure, the name of the recipient,
11 and the amount expended.

12 (b) The advertisement shall include the statement
13 “(spokesperson’s name) is being paid by this campaign or its
14 donors” in highly visible roman font shown continuously if the
15 advertisement consists of printed ~~or televised~~ material, or spoken
16 in a clearly audible format if the advertisement is a radio broadcast
17 or telephone message. *If the advertisement is a television or video*
18 *advertisement, the statement shall be shown continuously, except*
19 *when the disclosure statement required by Section 84503.2 is being*
20 *shown.*

21 ~~SEC. 18.~~

22 *SEC. 17.* No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.

31 ~~SEC. 19.~~

32 *SEC. 18.* The Legislature finds and declares that this bill
33 further the purposes of the Political Reform Act of 1974 within
34 the meaning of subdivision (a) of Section 81012 of the Government
35 Code.